MEDICAID PATHWAY

APRIL 20, 2016

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HEALTH CARE REFORM

Why Pay Differently Than Fee-for-Service?

- Health care cost growth is not sustainable.
- Health care needs have evolved since the fee-for-service system was established more than fifty years ago.
  - More people are living today with multiple chronic conditions.
  - CDC reports that treating chronic conditions accounts for 86% of our health care costs.
- Fee-for-service reimbursement is a barrier for providers trying to coordinate patient care and to promote health.
  - Care coordination and health promotion activities are not rewarded by fee-for-service compensation structure.

What is the Medicaid Pathway?

- The Medicaid Pathway is a Process.

- This process is led by AHS-Central Office, in partnership with the Agency of Administration, and includes Medicaid service providers who provide services that are not wholly included in the initial APM implementation, such as LTSS, mental health, substance abuse services and others.

- The Medicaid Pathway advances payment and delivery system reform for services not subject to the additional caps and regulation required by the APM. The goal is alignment and integration of payment and delivery principles that support a more integrated system of care.

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Why is there a Medicaid Pathway?

- The All Payer Model is focused on an ACO delivery model for services that look like Medicare part A & B.

- The majority of Medicaid paid services (about 65%) are not equivalent to Medicare part A & B and/or will not be included in the initial ACO delivery model.

- To get to a truly integrated health system, AHS has to commit to delivery and payment reform for the 65% of cost that is not addressed yet through the all-payer model.

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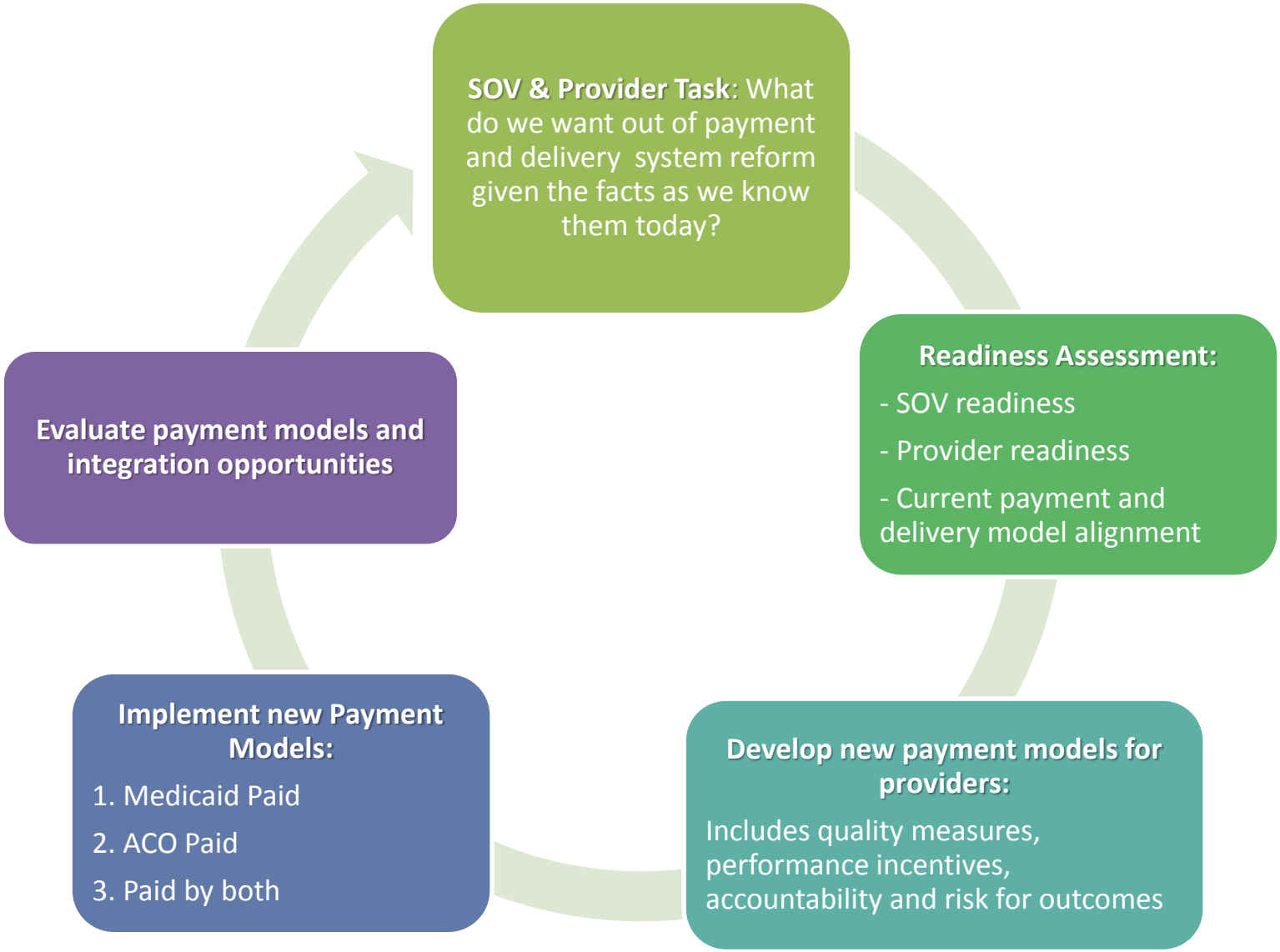
Medicaid Pathway: Payment and Delivery System Reform Continuous Cycle



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Medicaid Pathway Principles and Goals

Ensure Access to Care for Consumers with Special Health Needs

- Access to Care includes availability of high quality services as well as the sustainability of specialized providers
- Ensure the State's most vulnerable populations have access to comprehensive care

Promote Person and/or Family Centered Care

- Person and/or Family Centered includes supporting a full continuum of traditional and non-traditional Medicaid services based on individual and/or family treatment needs and choices
- Service delivery should be coordinated across all systems of care (physical, behavioral and mental health and long term services and supports)

Ensure Quality and Promote Positive Health Outcomes

- Quality Indicators should utilize a broad measures that include structure, process and experience of care measures
- Positive Health Outcomes include measures of independence (e.g., employment and living situation) as well as traditional health scores (e.g., assessment of functioning and condition specific indicators)

Ensure the Appropriate Allocation of Resources and Manage Costs

- Financial responsibility, provider oversight and policy need to be aligned to mitigate the potential for unintended consequences of decisions in one area made in isolation of other factors

Create a Structural Framework to Support the Integration of Services

- Any proposed change should be goal directed and promote meaningful improvement
- Departmental structures must support accountability and efficiency of operations at both the State and provider level
- Short and long term goals aligned with current Health Care Reform effort

Medicaid Pathway Process

Delivery System Transformation (Model of Care)

- What will providers be doing differently?
- What is the scope of the transformation?
- How will transformation support integration?

Payment Model Reform (Reimbursement Method, Rate Setting)

- What is the best reimbursement method to support the Model of Care (e.g. fee for service, case rate, episode of care, capitated, global payment)?
- Rate setting to support the model of care, control State cost and support beneficiary access to care
- Incentives to support the practice transformation

Quality Framework (including Data Collection, Storage and Reporting)

- What quality measures will mitigate any risk inherent in preferred reimbursement model (e.g. support accountability and program integrity); allow the State to assess provider transformation (e.g. structure and process); and assure beneficiaries needs are met?

Outcomes

- Is anyone better off?

Readiness, Resources and Technical Assistance

Who is on the Medicaid Pathway?

Group 1: Under the SIM demonstration Providers of MH, SA, and DS are working with State reps to answer the MP process questions. This group started meeting 11/2015 and has the following milestones:

- 7/2016 model design proposal
- 12/2016 operations plan
- 7/2017 implementation date

ENTER

Group 2: The DLTSS Work Group under SIM has also started to engage in a similar planning process.

Group 3: AHS needs to engage with other community providers in a planning process to determine how and when other services and providers will enter the Medicaid Pathway process.

EXIT

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